

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

WELDING ENGINEERS LTD.	:	CIVIL ACTION
<i>Plaintiff, Counterclaim</i>	:	
<i>Defendant</i>	:	NO. 16-4850
:		
v.	:	
:		
NFM/WELDING ENGINEERS, INC.	:	
<i>Defendant, Counterclaimant</i>	:	

ORDER

AND NOW, this 26th day of January 2021, upon consideration of the evidence presented during the bench trial held November 20-22, 2019, the parties' Proposed Findings of Fact and Conclusions of Law, [ECF 149, 150], and the parties' trial briefs, [ECF 107, 144], it is hereby ORDERED, for the reasons set forth in the accompanying Memorandum Opinion, that:

1. **DECLARATORY JUDGMENT** is entered in favor of Welding Engineers Ltd. ("Welding") and against NFM/Welding Engineers, Inc. ("NFM") on Count Four of NFM's counterclaim for declaratory relief, as follows:
 - i. NFM must pay royalties¹ to Welding for the sales of turbulators (and spare parts therefor), which include any device (and spare parts therefor) that integrates a cylindrical cutter, a cylindrical die (fixed or variable), a pelletizer, and a transport system of the comminuted particles either by air or another fluid, whenever NFM either (1) obtained said device or spare parts from Welding or (2) built a device or spare parts based on information² obtained from Welding;

¹ In the amounts and for the time periods set forth in the Technology Transfer Agreement ("TTA").

² Information including, but not limited to, technical drawings.

- ii. Accordingly, NFM must continue to pay royalties to Welding for sales of turbulator spare parts sold to its customers Solvay, Arlanxeo,³ Kraton, Dyneon, and Zeon;
- iii. All royalties previously paid by NFM under dispute pending the conclusion of this litigation have been rightfully paid to Welding;
- iv. In the future, if NFM develops and sells another turbulator (or spare parts therefor) to Exxon and its affiliates *based on the turbulator technology NFM received from Welding*, NFM must pay royalties to Welding for sales thereof; and
- v. NFM is not required to pay royalties to Welding for any turbulators (or spare parts therefor) that it makes or sells to Exxon and its affiliates *if those turbulators and/or spare parts are developed solely with the use of some other entity's turbulator technology*.

2. **DECLARATORY JUDGMENT** is entered, *in part*, in favor of NFM and against Welding on Count Six of NFM’s counterclaim for declaratory judgment, as follows:

NFM is not restricted from selling Hot Isostatic Pressing (“HIP”) Barrels in the Field of Use.^{4, 5}

3. **DECLARATORY JUDGMENT** is entered, *in part*, in favor of Welding and against NFM on Count Six of NFM’s counterclaim for declaratory relief, as follows:

- i. Welding may attempt to develop its own HIP Barrel technology, without utilizing any of NFM’s HIP Barrel technology in doing so; and
- ii. NFM cannot prevent Welding from developing HIP Barrels, or selling and offering HIP Barrels to Welding’s customers.

³ Arlanxeo is the company formerly known as Lanxess.

⁴ The Field of Use is “the drying and removal of water from Butyl, Halobutyl and fluorinated rubber[.]” Joint Exhibit 24 at p. 2-3.

⁵ As the parties agree, NFM is not restricted from selling HIP Barrels outside of the Field of Use.

The Clerk of Court is directed to mark this matter **CLOSED**.⁶

BY THE COURT:

/s/ Nitza I. Quiñones Alejandro

NITZA I. QUIÑONES ALEJANDRO

Judge, United States District Court

⁶ This Court resolved the remainder of both parties' claims by previous Orders granting summary judgment. [See ECF 83, 84].